

# COUNTY OF YORK

## MEMORANDUM

**DATE:** June 2, 2003 (BOS Mtg. 6/17/03)

**TO:** York County Board of Supervisors

**FROM:** James E. Barnett, County Attorney

**SUBJECT:** Approval of real estate tax refunds

York County code § 21-7.3 allows the Commissioner of the Revenue to refund overpaid taxes when the total refund, including both interest and penalty, does not exceed \$2,500.00. For refunds in excess of that amount, approval is required from the Board of Supervisors. The City of Williamsburg, which owns a number of parcels of real estate in York County and contained within the watershed for Waller Mill reservoir, has requested a refund for real estate taxes previously paid in the total amount (as of the date of this memorandum) of \$84,392.10. This refund has been requested pursuant to the terms of a memorandum of understanding entered into in 1995 between the City and the County stipulating the conditions under which the City's watershed property located in the County would be taxed. Briefly, the City and County agreed how to define "substantial net profit" for the purpose of applying Virginia Code § 58.1-3603, which provides that real estate otherwise exempt from taxation (as would be the case with real estate owned by the City) is nonetheless liable to taxation when it is a source of substantial revenue or profit. As stipulated in the agreement, the City has submitted an independent auditor's report to verify that it has not realized a "substantial net profit" from its water system for tax year 2002, and is consequently, in the opinion of the Commissioner of the Revenue, entitled to the requested refunds.

Attached is a copy of a letter dated January 24, 2003, from the City to James O. McReynolds, County Administrator, and a memorandum of May 29, 2003, from Ann Thomas, Commissioner of the Revenue, to members of the Board, relative to the request.

I have placed before you copies of those refund requests applicable to those parcels on which the total refund is calculated to exceed the sum of \$2,500.00. I have not included for your review similar requests on eight other parcels where the requested refund on any parcel does not exceed the \$2,500.00 threshold. For your information, those refunds range from a low of \$178.18 to an upper amount of \$1,773.54 per parcel.

Attached resolution R03-106 will authorize the refund of the taxes as requested, consistent with the memorandum of understanding between the two jurisdictions. I recommend its adoption.

Board of Supervisors

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Attachments

?? Requests for Tax Refunds

?? Letter to Mr. McReynolds dated January 24, 2003

?? Memorandum from Ann H. Thomas, dated May 29, 2003

?? Resolution R03-106